

ITCG PAPER

July 2014

ITCG conference call

Project	IFRS Taxonomy		
Paper topic	IFRS Taxonomy due process – trial 1		
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Objective

1. This paper accompanies ITCG agenda paper 1. It provides the ITCG with an extract of the July 2014 Board paper *Disclosure Initiative Amendments to IAS 7/ Reconciliation of liabilities relating to financing activities – summary of feedback*. The extract comprises the section relating to the IFRS Taxonomy considerations.

IFRS Taxonomy considerations

13. The staff have not identified any significant issues with introducing the effects of this proposed amendment to IAS 7 into the IFRS Taxonomy. The staff have not identified any inconsistencies between this amendment and other Standards.
14. To update the IFRS Taxonomy, the staff propose to follow current practice and exactly follow the text of the Standard and its supporting materials. Consequently, we propose to add elements for:
 - (a) types of liabilities from financing activities; and
 - (b) types of changes in these liabilities.
15. Specific elements would only be added to the extent that they are mentioned in the Illustrative Example, ie “Borrowings” and “Lease liabilities” for types of liabilities from financing activities, “Cash flow changes”, “Acquisition changes” and “Lease liabilities changes” from types of changes in liabilities from financing activities..

16. However, the reporting of the reconciliation of changes in liabilities from financing activities might require additional elements, not directly mentioned in the Illustrative Example. Such elements could include lines mentioned in Appendix A to this paper, namely:
- (a) for types of liabilities:
 - (i) Short-term borrowings;
 - (ii) Long-term borrowings;
 - (iii) Pension liabilities; and
 - (iv) Fair value of hedges.
 - (b) for types of changes in these liabilities:
 - (i) Foreign exchange movement; and
 - (ii) Change in pension liabilities.
17. Although the above elements are not included in either the Standard or the Illustrative Example, the IASB could still choose to include these in the IFRS Taxonomy. These elements would be referenced as “common practice” in order to distinguish them from elements mentioned in the Illustrative Example.
18. The staff note that including these elements in the IFRS Taxonomy would not require an entity to classify the liabilities described by those elements as liabilities from financing activities. In addition, including these elements would not preclude entities from creating their own elements (extensions) for liabilities from financing activities not included in the IFRS Taxonomy.

Question

Does the IASB agree that the IFRS Taxonomy should include only elements directly mentioned in the amendment to IAS 7 and the Illustrative Example?

If not would you:

(a) add some or all of those described in paragraph 16 above or others from another source?

(b) not include some elements in the amendment to IAS 7 and Illustrative Example? If so, which ones and why?